
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 8.6.2010

Wall Street Journal: "Legacy of the 'Flash Crash': Enduring Worries of Repeat ... In the days leading up to the May 6 "flash crash," some stock-market veterans were picking up disturbing rumblings."

Wall Street Journal: "AIG: Net Loss on Write-Down But Operating Profit ... American International Group Inc. swung to a \$2.7 billion net loss for the second quarter due to charges associated with a unit that is being sold, but the company's insurance businesses generated an operating profit."

Wall Street Journal: "Fannie Quarterly Loss Is Smallest Since 2007 ... Fannie Mae posted a \$1.2 billion net loss for the second quarter, the smallest loss in three years, amid signs that the massive wave of souring loans that brought down the mortgage-finance giant may be easing. But Fannie still asked the U.S. government for an additional \$1.5 billion."

Wall Street Journal: "Emerging Lessons on Fighting the Financial Crisis ... Although few realized it at the time, the devastating financial crisis began when money markets seized up in August 2007, prompting the first responders at the Federal Reserve and European Central Bank to act. With the modicum of hindsight that three years offer, what do we know now that we didn't know then?"

Washington Post: "FHA set to increase fees paid by new borrowers ... The Federal Housing Administration plans to raise the annual fees it charges new borrowers starting Sept. 7, which would add about \$300 million a month to the agency's eroding cash reserves."

Washington Post: "HUD to award \$79 million in grants to reduce foreclosures and help families ... U.S. Department of Housing and Urban Development Secretary Shaun Donovan announced Thursday that \$79 million in federal grants will be made available to reduce foreclosures and assist families looking for housing."

Washington Post: "Squeezing the Rich Is a Poor Way to Spur Growth: Caroline Baum ... Thirty-six years after an academic economist named Arthur Laffer drew a curved line on a cocktail napkin, the debate over supply-side tax cuts paying for themselves is still going strong."

Washington Post: "AIG in Talks for 'Complete Government Exit,' Benmosche Says ... American International Group Inc., the insurer that turned over a stake of almost 80 percent to the U.S., is in talks with federal regulators to become independent, Chief Executive Officer Robert Benmosche said."

NY Times: "Accounting Charge Aside, A.I.G.'s Profits Rise ... Updated The American International Group said on Friday that it lost nearly \$2.7 billion for the second quarter, swinging from a profit during the same time last year as it took an accounting charge for a big unit it plans to sell to MetLife."

NY Times: "Wall St. Faces Specter of Lost Trading Units ... They are the elite among the elite at Goldman Sachs, highfliers who are the envy of Wall Street."

NY Times: "2 Top Economists Differ Sharply on Risk of Deflation ... When the latest unemployment figures are announced on Friday, all of Wall Street will be watching. But for Richard Berner of Morgan Stanley and Jan Hatzius of Goldman Sachs, the results will be more than just another marker in an avalanche of data."

LA Times: "Fannie Mae asks for \$1.5 billion in aid after loss ... Fannie Mae is asking for less money from the government, a sign that the cost to taxpayers for bailing out the mortgage giant could be billions lower than once thought."

Forbes: "The Politics Of Regulatory Reform ... In a historic moment last week President Barack Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Do you think it makes the financial system safer and reins in the risky behavior of Wall Street financial institutions?"

The Hill: "Wall Street bill sweeps away stray remnant of 1933 Glass-Steagall Act ... In seven simple lines buried in this year's financial overhaul bill, lawmakers swept away one of the last vestiges of the 1933 Glass-Steagall Act that held sway over markets for decades."

The Hill: "Fannie requests another \$1.5 billion in federal help despite shrinking losses ... Government-controlled mortgage giant Fannie Mae requested on Thursday \$1.5 billion more in government help because of its second quarter losses."